

## **IC 5-1.5-2**

### **Chapter 2. Establishment and Organization**

#### **IC 5-1.5-2-1**

##### **Indiana bond bank; establishment; nature; purpose**

Sec. 1. There is established the Indiana bond bank, a separate body corporate and politic, constituting an instrumentality of the state for the public purposes set out in this article, but not a state agency. The bank is separate from the state in its corporate and sovereign capacity. The purpose of the bank as described in IC 5-1.5-4 is to buy and sell securities and to make loans to qualified entities.

*As added by P.L.25-1984, SEC.1. Amended by P.L.43-1985, SEC.4.*

#### **IC 5-1.5-2-2**

##### **Board of directors; establishment; powers; membership; appointment; vacancy**

Sec. 2. (a) There is established a board of directors to govern the bank. The powers of the bank are vested in this board.

(b) The board is composed of:

- (1) the treasurer of state, who shall be the chairman ex officio;
- (2) the public finance director appointed under IC 4-4-11-9, who shall be the director ex officio; and
- (3) five (5) directors appointed by the governor.

(c) Each of the five (5) directors appointed by the governor:

- (1) must be a resident of Indiana;
- (2) must have substantial expertise in the buying, selling, and trading of municipal securities, in municipal administration or in public facilities management;
- (3) serves for a term of three (3) years and until his successor is appointed and qualified;
- (4) is eligible for reappointment;
- (5) is entitled to receive the same minimum salary per diem as is provided in IC 4-10-11-2.1(b) while performing the director's duties. Such a director is also entitled to the same reimbursement for traveling expenses and other expenses, actually incurred in connection with the director's duties as is provided in the state travel policies and procedures, established by the department of administration and approved by the budget agency; and
- (6) may be removed by the governor for cause.

(d) Any vacancy on the board, other than by expiration of term, shall be filled by appointment of the governor for the unexpired term only.

*As added by P.L.25-1984, SEC.1. Amended by P.L.46-1987, SEC.5; P.L.235-2005, SEC.75.*

#### **IC 5-1.5-2-2.5**

##### **Board meetings where four members or more are physically present; physically absent member participating through accepted**

**means of communication**

Sec. 2.5. (a) This section applies to a meeting of the board at which at least four (4) members of the board are physically present at the place where the meeting is conducted.

(b) A member of the board may participate in a meeting of the board by using a means of communication that permits:

- (1) all other members participating in the meeting; and
- (2) all members of the public physically present at the place where the meeting is conducted;

to simultaneously communicate with each other during the meeting.

(c) A member who participates in a meeting under subsection (b) is considered to be present at the meeting.

(d) The memoranda of the meeting prepared under IC 5-14-1.5-4 must also state the name of each member who:

- (1) was physically present at the place where the meeting was conducted;
- (2) participated in the meeting by using a means of communication described in subsection (b); and
- (3) was absent.

*As added by P.L.38-1988, SEC.2.*

**IC 5-1.5-2-3**

**Duties of board**

Sec. 3. The board shall:

- (1) elect one (1) of its members vice chairman;
- (2) appoint and fix the duties and compensation of an executive director, who shall serve as both secretary and treasurer; and
- (3) establish and maintain the office of the bank in Indianapolis.

*As added by P.L.25-1984, SEC.1.*

**IC 5-1.5-2-4**

**Quorum**

Sec. 4. Four (4) directors constitute a quorum at any meeting of the board.

*As added by P.L.25-1984, SEC.1. Amended by P.L.38-1988, SEC.3.*

**IC 5-1.5-2-5**

**Action by affirmative vote of three directors; effect of vacancy**

Sec. 5. Action may be taken by the board at a meeting by the affirmative vote of at least four (4) directors. A vacancy on the board does not impair the right of a quorum of directors to exercise the powers and perform the duties of the board.

*As added by P.L.25-1984, SEC.1. Amended by P.L.38-1988, SEC.4.*

**IC 5-1.5-2-6**

**Surety bonds; issuer; cost**

Sec. 6. (a) Each director and the executive director must execute a surety bond in an amount specified by the treasurer of state. Each surety bond shall be conditioned upon the faithful performance of the duties of the office of director and executive director, respectively.

In lieu of these surety bonds, the bank may execute a blanket surety bond covering each director, the executive director, and any officers or employees of the bank.

(b) The surety bonds required by this section must be issued by a surety company authorized to transact business in Indiana.

(c) The cost of the surety bonds required by this section shall be paid by the bank.

*As added by P.L.25-1984, SEC.1. Amended by P.L.43-1985, SEC.5.*

#### **IC 5-1.5-2-7**

##### **Disclosure of interest in contracts; abstention with respect to contract; validity of contract**

Sec. 7. (a) Notwithstanding any other law to the contrary, a director does not violate any law, civil or criminal, if he:

(1) has, or to his knowledge, may have or may later acquire a direct or indirect pecuniary interest in a contract with the bank;  
or

(2) is an officer, member, manager, director, or employee of or has an ownership interest in any firm, limited liability company, or corporation that is or may be a party to the contract;

if he discloses in writing to the bank the nature and extent of his interest as soon as he has knowledge of the interest and abstains from discussion, deliberation, action, and voting with respect to the contract.

(b) Notwithstanding any provision of this article or any other law, a contract or transaction shall not be void or voidable because of the existence of an interest described in subsection (a), if the provisions of subsection (a) have been satisfied.

*As added by P.L.25-1984, SEC.1. Amended by P.L.8-1993, SEC.51.*

#### **IC 5-1.5-2-8**

##### **Liability on bonds or notes**

Sec. 8. Neither a director nor a person executing bonds or notes issued under this article is liable personally on the bonds or notes.

*As added by P.L.25-1984, SEC.1.*

#### **IC 5-1.5-2-9**

##### **Executive director; duties**

Sec. 9. The executive director appointed under section 2 of this chapter shall, in addition to other duties fixed by the directors, administer, manage, and direct the employees of the bank. The executive director shall approve all amounts for salaries, allowable expenses of the bank or of any employee or consultant of the bank, and expenses incidental to the operation of the bank. The executive director shall attend the meetings of the board, keep a record of the proceedings of the board, and maintain all books, documents, and papers filed with the bank, the minutes of the board, and the bank's official seal. The executive director may cause copies to be made of all minutes and other records and documents of the bank and may give certificates under seal of the bank to the effect that those copies

are true copies, and all persons dealing with the bank may rely upon those certificates.

*As added by P.L.25-1984, SEC.1.*

#### **IC 5-1.5-2-10**

##### **Code of ethics**

Sec. 10. (a) The bank shall:

(1) adopt:

(A) rules under IC 4-22-2; or

(B) a policy;

establishing a code of ethics for its employees; or

(2) decide it wishes to be under the jurisdiction and rules adopted by the state ethics commission.

(b) A code of ethics adopted by rule or policy under this section must be consistent with state law and approved by the governor.

*As added by P.L.5-1996, SEC.5.*